

State of Arizona
House of Representatives
Forty-ninth Legislature
Third Special Session
2009

HOUSE BILL 2012

AN ACT

AMENDING SECTION 15-1427, ARIZONA REVISED STATUTES; REPEALING SECTION 15-1447, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-1461, 15-1466, 15-1466.01, 15-1601 AND 15-1626, ARIZONA REVISED STATUTES; AMENDING SECTION 15-1661, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 6, SECTION 1; AMENDING SECTION 15-1682.03, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2009, FIRST SPECIAL SESSION, CHAPTER 6, SECTION 2; AMENDING SECTION 15-1821.01, ARIZONA REVISED STATUTES; AMENDING TITLE 15, CHAPTER 14, ARTICLE 5, ARIZONA REVISED STATUTES, BY ADDING SECTION 15-1856; AMENDING SECTION 41-1542, ARIZONA REVISED STATUTES; MAKING AN APPROPRIATION; RELATING TO HIGHER EDUCATION BUDGET RECONCILIATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 15-1427, Arizona Revised Statutes, is amended to
3 read:

4 15-1427. Annual report

5 A. By November 1 of each year, each community college district shall
6 make a report for the preceding fiscal year to the governor, the president of
7 the senate, the speaker of the house of representatives and the joint
8 legislative budget committee and shall provide a copy of this report to the
9 secretary of state and the director of the Arizona state library, archives
10 and public records.

11 B. The report shall contain the following information REGARDING THE
12 OPERATION OF THE DISTRICT:

13 1. The state of progress of the community colleges operated under this
14 chapter.

15 2. The courses of study included in the curriculums.

16 3. The number of professors and other instructional staff members
17 employed.

18 4. The number of students registered and attending classes.

19 5. The number of full-time equivalent students enrolled during the
20 year.

21 6. The total number of students not residing in the district.

22 7. The amount of receipts and expenditures.

23 ~~8. The number, short title and description of all credit courses and~~
24 ~~noncredit courses offered.~~

25 ~~9. The enrollment for each credit and noncredit course for each of the~~
26 ~~three previous years.~~

27 ~~10. For credit courses, the full-time enrollment student equivalent for~~
28 ~~each course for each of the three previous years.~~

29 ~~11. The tuition for each credit and noncredit course.~~

30 ~~12. The fees for each credit and noncredit course.~~

31 ~~13. The number of credits offered for each course.~~

32 ~~14. The percentage of students achieving the credits for the course.~~

33 ~~15. Any new courses not offered in the previous year.~~

34 ~~16. Any new courses not offered for credit in each of the previous~~
35 ~~three years.~~

36 ~~17. For credit courses, the provisions of section 15-1410,~~
37 ~~subsection A, paragraph 1 used to determine if the course is offered for~~
38 ~~credit.~~

39 8. A GENERAL DESCRIPTION OF TUITION AND FEES CHARGED FOR CREDIT
40 COURSES.

41 9. A GENERAL DESCRIPTION OF TUITION AND FEES CHARGED FOR NONCREDIT
42 COURSES.

43 ~~18.~~ 10. Such other information as the governor and the joint
44 legislative budget committee deem proper.

1 C. THE REPORT SHALL CONTAIN THE FOLLOWING INFORMATION REGARDING DUAL
2 ENROLLMENT PROGRAMS OPERATED PURSUANT TO SECTION 15-1821.01:

3 1. DOCUMENTATION OF COMPLIANCE WITH THE REQUIREMENTS PRESCRIBED IN
4 SECTION 15-1821.01, PARAGRAPHS 3, 4 AND 5, INCLUDING A LIST OF THE MEMBERS OF
5 THE FACULTY ADVISORY COMMITTEES OF EACH COMMUNITY COLLEGE.

6 2. TOTAL ENROLLMENTS LISTED BY LOCATION, BY HIGH SCHOOL GRADE LEVEL AND
7 BY COURSE.

8 3. SUMMARY DATA ON THE PERFORMANCE OF STUDENTS ENROLLED FOR COLLEGE
9 CREDIT IN COURSES OFFERED IN CONJUNCTION WITH HIGH SCHOOLS, INCLUDING
10 COMPLETION RATES AND GRADE DISTRIBUTION.

11 4. A COPY OF EACH ADDENDUM TO INTERGOVERNMENTAL AGREEMENTS OR CONTRACTS
12 EXECUTED PURSUANT TO SECTION 15-1821.01, PARAGRAPH 1.

13 5. SUMMARY DATA BY COMMUNITY COLLEGE DISTRICT AND BY INDIVIDUAL
14 COMMUNITY COLLEGES ON THE NUMBER OF SCHOLARSHIPS OR GRANTS AWARDED TO
15 STUDENTS.

16 6. ITEMIZED ACTUAL PROGRAM COSTS FOR EACH OF THE FOLLOWING:

17 (a) CURRICULUM DEVELOPMENT AND APPROVAL.

18 (b) TEXTBOOK COSTS.

19 (c) FACILITY AND EQUIPMENT COSTS.

20 (d) COUNSELING AND TUTORING COSTS.

21 (e) TEACHER TRAINING AND OBSERVATION COSTS.

22 7. SUCH OTHER INFORMATION AS THE GOVERNOR AND THE JOINT LEGISLATIVE
23 BUDGET COMMITTEE DEEM PROPER.

24 Sec. 2. Repeal

25 Section 15-1447, Arizona Revised Statutes, is repealed.

26 Sec. 3. Section 15-1461, Arizona Revised Statutes, is amended to read:

27 15-1461. District budget; annual estimate; computation; notice;
28 hearing; adoption

29 A. Not later than June 5, each district established pursuant to this
30 chapter, and any other community college established prior to the enactment
31 of this chapter, shall prepare a proposed budget for the budget year on a
32 form which the auditor general prescribes to be transmitted to the district
33 board. The proposed budget shall be accompanied by an estimate of the amount
34 of funds needed for the ensuing year as determined by the district based on
35 the proposed budget prepared by it.

36 B. The district shall establish and set forth in the proposed budget
37 the per capita expenditure per full-time equivalent student, which shall be
38 the total operational expenses.

39 C. The district shall establish and set forth in the proposed budget
40 the per capita expenditure per full-time equivalent student, which shall be
41 the total capital outlay expenses.

42 D. The number of basic full-time equivalent students shall be computed
43 by dividing the total community college credit units by fifteen per semester
44 and shall be based on regular day enrollment. The number of additional
45 short-term full-time equivalent students shall be computed by dividing the

1 total community college credit units from additional short-term classes by
2 thirty. The number of skill center full-time equivalent students shall be
3 computed by dividing the total number of clock hours in approved vocational
4 training programs by six hundred forty.

5 E. The governing board of each district shall prepare a notice fixing
6 a time not later than June 20 and designating a public place within each
7 district at which a public hearing and special board meeting shall be held.
8 THE GOVERNING BOARD OF EACH DISTRICT SHALL PUBLISH A NOTICE OF THE PUBLIC
9 HEARING AND SPECIAL BOARD MEETING NOT LATER THAN FIFTEEN DAYS BEFORE THE
10 MEETING. The governing board shall PUBLISH THE PROPOSED BUDGET ON ITS
11 WEBSITE AND present the proposed budget for consideration of the residents
12 and the taxpayers of the district at such meeting.

13 ~~F. The governing board of each district shall publish a copy of the~~
14 ~~proposed budget prior to the meeting and, in addition, a notice of the public~~
15 ~~hearing and special board meeting not later than fifteen days prior to the~~
16 ~~meeting.~~ The proposed budget shall contain but need not be limited to the
17 following information:

18 1. The estimated cost of all operational, capital outlay and debt
19 service expenses.

20 2. The percentage of increase or decrease in each budget category as
21 compared to each category of the budget for the current year.

22 3. The total amount of revenues by source that was necessary to meet
23 the district's budget for the current year.

24 4. The total amount of revenues by source that will be necessary to
25 meet the proposed district budget.

26 5. The total property tax levy of the district for the current year.

27 6. The levy for primary property taxes and the levy for secondary
28 property taxes for the current year.

29 7. The primary property tax rate and secondary property tax rate for
30 the current year.

31 8. The estimated amount of total property tax levies for the district
32 and the primary property tax and secondary property tax components thereof
33 necessary for the budget year.

34 9. The maximum amount of primary property tax dollars which the
35 district is permitted to levy pursuant to title 42, chapter 17, article 2 for
36 the budget year.

37 10. The amount of secondary property tax dollars which the district
38 will levy for the budget year.

39 11. The amount of monies received from primary property taxation in the
40 previous fiscal year in excess of the maximum allowable amount as calculated
41 pursuant to title 42, chapter 17, article 2.

42 G. The governing board shall publish the proposed budget and the
43 notice of the public hearing and special board meeting a second time not
44 later than five days prior to the meeting. Publication shall be made in a
45 newspaper of general circulation within the district. The cost of

1 publication shall be a charge against the district. If a truth in taxation
2 notice and hearing is required under section 15-1461.01, the district may
3 combine the notice and hearing under this section with the truth in taxation
4 notice and hearing.

5 H. If the district fails to publish the proposed budget, notice and
6 statements required by subsection F of this section, the board of supervisors
7 shall levy on the property in the district the lesser of the amount of
8 primary property taxes which were levied for the district in the current year
9 or the amount which would be produced by the primary property tax rate which
10 was levied for the district in the current year.

11 I. At the time and place fixed in the notice, the members of the
12 governing board shall hold the public hearing and present the proposed budget
13 to the persons attending the hearing. Upon request of any person, the
14 governing board shall explain the budget and any resident or taxpayer of the
15 district may protest the inclusion of any item in the proposed budget.

16 J. Immediately following the public hearing the chairman shall call to
17 order the special board meeting for the purpose of adopting the budget. The
18 governing board shall adopt the budget making deductions from the budget as
19 it sees fit but making no additions to the budget and shall enter the budget
20 as adopted in its minutes. The governing board shall not adopt the budget if
21 the property tax requirements of the budget, excluding amounts budgeted and
22 levied for secondary property taxes, exceed the amounts authorized pursuant
23 to title 42, chapter 17, article 2.

24 Sec. 4. Section 15-1466, Arizona Revised Statutes, is amended to read:

25 15-1466. State aid; eligibility; limitations

26 A. Subject to legislative appropriation, the legislature shall
27 determine and appropriate the amount of state aid each fiscal year to each
28 district possessing the qualifications as prescribed in this chapter.

29 B. The state shall determine the amount of state aid, as prescribed in
30 subsection F—D of this section, appropriated to each district for the fiscal
31 year prior to the fiscal year for which the state aid is being calculated.

32 ~~C. The state shall adjust the amount of state aid appropriated to each~~
33 ~~district as determined in subsection B of this section by the growth rate~~
34 ~~referenced by section 15-901, subsection B, paragraph 2. This amount shall~~
35 ~~be appropriated to the district except as provided in subsection D of this~~
36 ~~section.~~

37 ~~D. C. In addition to the state aid appropriated in subsection C of~~
38 ~~this section, Each district qualified under this chapter shall have its state~~
39 ~~aid adjusted in an amount that reflects the growth OR DECREASE in the~~
40 ~~full-time equivalent student count of the district calculated as follows:~~

41 1. Calculate the growth OR DECREASE in the actual, audited full-time
42 equivalent student count between the second and third most recent fiscal
43 years prior to the fiscal year for which the state aid is being calculated
44 for each district.

1 2. Calculate the average appropriation per full-time equivalent
2 student for all districts by dividing the amount determined in subsection B
3 of this section by the actual, audited full-time equivalent student count for
4 all districts in the most recent fiscal year.

5 3. Multiply the amount calculated in paragraph 1 of this subsection by
6 the average appropriation calculated in paragraph 2 of this subsection. This
7 amount ~~shall be appropriated to the district for growth~~ EQUALS THE ADJUSTMENT
8 REQUIRED PURSUANT TO THIS SECTION.

9 ~~E. State aid appropriated to each district shall be allocated and paid~~
10 ~~in accordance with subsection C of this section before any funding is~~
11 ~~allocated and paid in accordance with subsection D of this section.~~

12 ~~F. D.~~ D. The total amount appropriated to each district each fiscal year
13 in accordance with ~~subsections C and D of this section~~ shall serve as the
14 amount of state aid to be adjusted in the next fiscal year. A district is
15 ~~not~~ eligible for growth funding pursuant to this section ~~unless the~~ ONLY FOR
16 THE PORTION OF ITS most recent audited full-time student equivalent count
17 THAT exceeds the ~~highest~~ audited full-time student equivalent count recorded
18 ~~from and after fiscal year 2003-2004~~ FOR THE DISTRICT FOR THE MOST RECENT
19 FISCAL YEAR IN WHICH AN ADJUSTMENT WAS PREVIOUSLY MADE PURSUANT TO SUBSECTION
20 C OF THIS SECTION.

21 ~~G.~~ E. To be eligible for state aid, a district shall:

22 1. Be equipped with suitable buildings, equipment and campus.

23 2. Have at least three hundred twenty full-time equivalent students
24 attending in the district.

25 3. Have complied with all of the requirements of the district board
26 including budgets and curriculum.

27 ~~H. Notwithstanding subsection E of this section, the legislature may~~
28 ~~allocate funding for growth in the full-time equivalent student count prior~~
29 ~~to or in combination with funding of the growth rate.~~

30 ~~I.~~ F. The total amount of state monies that may be spent in any
31 fiscal year by a district for operating state aid shall not exceed the amount
32 appropriated or authorized by section 35-173 for that purpose.
33 Notwithstanding section 15-1444, this section shall not be construed to
34 impose a duty on an officer, agent or employee of this state to discharge a
35 responsibility or to create any right in a person or group if the discharge
36 or right would require an expenditure of state monies in excess of the
37 expenditure authorized by legislative appropriation for that specific
38 purpose, including any duties prescribed in an employment contract entered
39 into pursuant to section 15-1444, subsection A, paragraph 6.

40 ~~J.~~ G. In addition to the formula to determine the state aid
41 appropriations prescribed in this section, the state may pay additional
42 amounts for state aid to a district based on requests included in the
43 district's budget request.

1 ~~K~~ H. This section does not entitle a community college operated by a
2 qualified Indian tribe to state aid for community colleges pursuant to this
3 chapter.

4 Sec. 5. Section 15-1466.01, Arizona Revised Statutes, is amended to
5 read:

6 15-1466.01. Calculation of full-time equivalent student
7 enrollment

8 In determining state aid under sections 15-1464 and 15-1466 the number
9 of full-time equivalent students shall be calculated in the following manner:

10 1. For the basic actual full-time equivalent student enrollment, add
11 the number of full-time equivalent students enrolled as of forty-five days
12 after classes begin in the fall semester to the number of full-time
13 equivalent students enrolled as of forty-five days after classes begin in the
14 spring semester, not including additional short-term classes, and divide the
15 sum by two.

16 2. For the additional short-term and open entry, open exit full-time
17 equivalent student enrollments:

18 (a) Determine the total number of credit units for students enrolled in
19 additional short-term and open entry, open exit classes for the fiscal year.

20 (b) Determine the total number of credit units for students who have
21 completed the additional short-term and open entry, open exit classes for the
22 fiscal year. Any student who has not completed the class by June 30 of each
23 fiscal year shall not be eligible to be counted for state aid purposes until
24 the following year.

25 (c) Add the amounts in subdivisions (a) and (b).

26 (d) Divide the amount determined in subdivision (c) by two.

27 (e) Divide the quotient obtained in subdivision (d) by thirty.

28 (f) The result in subdivision (e) is the additional short-term and open
29 entry, open exit full-time equivalent student enrollments for the fiscal
30 year.

31 3. For the skill center and adult basic education courses full-time
32 equivalent student enrollment, divide by six hundred forty the total class
33 attended clock hours of persons who complete vocational training. Any
34 student who does not complete vocational training programs by June 30 of each
35 fiscal year shall not be eligible to be counted for state aid purposes until
36 the following year.

37 4. The total of basic actual, additional short-term and open entry,
38 open exit and skill center full-time equivalent student enrollment shall be
39 the basis of providing state aid. Beginning with the audit for the year
40 ending June 30, 2003, the auditor general shall audit separately any
41 full-time equivalent student enrollment where a student is enrolled in a
42 course for both high school and college credit simultaneously, except for
43 credit received at a private college or a college owned, operated or
44 chartered by an Indian tribe, taking into consideration any relevant law,
45 regulation or rule. The full-time equivalent student enrollment reported by

1 each district for all basic actual, additional short-term and open entry,
2 open exit classes and skill center and adult basic education courses shall be
3 audited annually by the auditor general. The auditor general shall report
4 the results of the audit to the staffs of the joint legislative budget
5 committee and the governor's office of strategic planning and budgeting by
6 October 15 of each year.

7 5. FOR A STUDENT WHO TAKES A COURSE FOR WHICH CREDIT IS AWARDED BY
8 BOTH A COMMUNITY COLLEGE AND A HIGH SCHOOL, IN WHICH THE INSTRUCTOR IS AN
9 EMPLOYEE OF THE HIGH SCHOOL AND IN WHICH THE CLASS IS BEING TAUGHT ON THE
10 HIGH SCHOOL CAMPUS DURING THE NORMAL HIGH SCHOOL OPERATING HOURS, THE AMOUNT
11 OF STATE AID THAT THE COMMUNITY COLLEGE WOULD OTHERWISE RECEIVE FOR THAT
12 STUDENT SHALL BE REDUCED BY FIFTY PER CENT.

13 Sec. 6. Section 15-1601, Arizona Revised Statutes, is amended to read:

14 15-1601. State universities; location; faculty powers

15 A. The Arizona board of regents shall maintain state universities at
16 Flagstaff in Coconino county, at Tempe in Maricopa county and at Tucson in
17 Pima county, and the universities are respectively designated northern
18 Arizona university, Arizona state university and the university of Arizona.
19 The board shall maintain an Arizona state university campus in western
20 Maricopa county designated as Arizona state university west campus, WHICH
21 SHALL BE IDENTIFIED AS A SEPARATE BUDGET UNIT IN THE GENERAL APPROPRIATIONS
22 ACT. The board shall maintain an Arizona state university campus in eastern
23 Maricopa county designated as Arizona state university east campus, WHICH
24 SHALL BE IDENTIFIED AS A SEPARATE BUDGET UNIT IN THE GENERAL APPROPRIATIONS
25 ACT. The board may establish and maintain other colleges and universities
26 subject to legislative authority. Subject to review by the joint committee
27 on capital review, the board may establish new campuses that are separate
28 from any location in existence on July 1, 2007. THE ARIZONA STATE UNIVERSITY
29 CAMPUS AT TEMPE SHALL PROVIDE ADMINISTRATIVE SUPPORT FOR THE ARIZONA STATE
30 UNIVERSITY CAMPUSES IN WESTERN MARICOPA COUNTY AND IN EASTERN MARICOPA
31 COUNTY.

32 B. The universities shall have colleges, schools and departments and
33 give courses of study and academic degrees as the board approves. Subject to
34 the responsibilities and powers of the board and the university presidents,
35 the faculty members of the universities, through their elected faculty
36 representatives, shall share responsibility for academic and educational
37 activities and matters related to faculty personnel. The faculty members of
38 each university, through their elected faculty representatives, shall
39 participate in the governance of their respective universities and shall
40 actively participate in the development of university policy.

41 Sec. 7. Section 15-1626, Arizona Revised Statutes, is amended to read:

42 15-1626. General administrative powers and duties of board

43 A. The board shall:

44 1. Have and exercise the powers necessary for the effective governance
45 and administration of the institutions under its control. To that end, the

1 board may adopt, and authorize each university to adopt, such regulations,
2 policies, rules or measures as are deemed necessary and may delegate in
3 writing to its committees, to its university presidents, or their designees,
4 or to other entities under its control, any part of its authority for the
5 administration and governance of such institutions, including those powers
6 enumerated in section 15-1625, subsection B, paragraphs 2 and 4, paragraphs
7 3, 4, 8, 9, 11 and 12 of this subsection and subsection B of this section.
8 Any delegation of authority may be rescinded by the board at any time in
9 whole or in part.

10 2. Appoint and employ and determine the compensation of presidents
11 with such power and authority and for such purposes in connection with the
12 operation of the institutions as the board deems necessary.

13 3. Appoint and employ and determine the compensation of
14 vice-presidents, deans, professors, instructors, lecturers, fellows and such
15 other officers and employees with such power and authority and for such
16 purposes in connection with the operation of the institutions as the board
17 deems necessary, or delegate its authority pursuant to paragraph 1 of this
18 subsection.

19 4. Remove any officer or employee when the interests of education in
20 this state so require in accordance with its personnel rules and policies.

21 5. Fix tuitions and fees to be charged and differentiate the tuitions
22 and fees between institutions and between residents, nonresidents,
23 undergraduate students, graduate students, students from foreign countries
24 and students who have earned credit hours in excess of the credit hour
25 threshold. For the purposes of this paragraph, the undergraduate credit hour
26 threshold is one hundred fifty-five hours for students who attend a
27 university under the jurisdiction of the board in fiscal year 2006-2007, one
28 hundred fifty hours for students who attend a university under the
29 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five
30 hours for students who attend a university under the jurisdiction of the
31 board after fiscal year 2007-2008. The undergraduate credit hour threshold
32 shall be based on the actual full-time equivalent student enrollment counted
33 on the twenty-first day after classes begin for the fall semester of 2005
34 THROUGH 2008 and ON THE FORTY-FIFTH DAY OF every fall AND SPRING semester
35 thereafter, DIVIDED BY TWO, and any budget adjustment based on student
36 enrollment shall occur in the fiscal year following the actual full-time
37 equivalent student enrollment count. The undergraduate credit hour threshold
38 shall not apply to degree programs that require credit hours above the credit
39 hour threshold, credits earned in the pursuit of up to two baccalaureate
40 degrees, credits earned in the pursuit of up to two state regulated
41 licensures or certificates, credits earned in the pursuit of teaching
42 certification, credits transferred from a private institution of higher
43 education, credits transferred from an institution of higher education in
44 another state, credits earned at another institution of higher education but
45 that are not accepted as transfer credits at the university where the student

1 is currently enrolled and credits earned by students who enroll at a
2 university under the jurisdiction of the board more than twenty-four months
3 after the end of that student's previous enrollment at a public institution
4 of higher education in this state. On or before October 15 of each year, the
5 board shall report to the joint legislative budget committee the number of
6 students who were enrolled at universities under the jurisdiction of the
7 board during the previous fiscal year who met or exceeded the undergraduate
8 credit hour threshold prescribed in this paragraph. The amount of tuition,
9 registration fees and other revenues included in the operating budget for the
10 university adopted by the board as prescribed in paragraph 13 of this
11 subsection shall be deposited, pursuant to sections 35-146 and 35-147. All
12 other tuition and fee revenue shall be retained by each university for
13 expenditure as approved by the board, except that the universities shall not
14 use any tuition or fee revenue to fund or support an alumni association.

15 6. Except as provided in subsection H- I of this section, adopt rules
16 to govern its tuition and fee setting process that provide for the following:

17 (a) At least one public hearing at each university as an opportunity
18 for students and members of the public to comment upon any proposed increase
19 in tuition or fees.

20 (b) Publication of the notice of public hearing at least ten days
21 prior to the hearing in a newspaper of general circulation in Maricopa
22 county, Coconino county and Pima county. The notice shall include the date,
23 time and location of the public hearing.

24 (c) Public disclosure by each university of any proposed increases in
25 tuition or fees at least ten days prior to the public hearing.

26 (d) Final board action on changes in tuition or fees shall be taken by
27 roll call vote.

28 The procedural requirements of subdivisions (a), (b), (c) and (d) of this
29 paragraph apply only to those changes in tuition or fees that require board
30 approval.

31 7. Pursuant to section 35-115, submit a budget request for each
32 institution under its jurisdiction that includes the estimated tuition and
33 fee revenue available to support the programs of the institution as described
34 in the budget request. The estimated available tuition and fee revenue shall
35 be based on the tuition and registration fee rates in effect at the time the
36 budget request is submitted with adjustments for projected changes in
37 enrollment as provided by the board.

38 8. Establish curriculums and designate courses at the several
39 institutions which in its judgment will best serve the interests of this
40 state.

41 9. Award such degrees and diplomas upon the completion of such courses
42 and curriculum requirements as it deems appropriate.

43 10. Prescribe qualifications for admission of all students to the
44 universities. The board shall establish policies for guaranteed admission
45 that assure fair and equitable access to students in this state from public,

1 private, charter and home schools. For the purpose of determining the
2 qualifications of honorably discharged veterans, veterans are those persons
3 who served in the armed forces for a minimum of two years and who were
4 previously enrolled at a university or community college in this state. No
5 prior failing grades received by the veteran at the university or community
6 college in this state may be considered.

7 11. Adopt any energy conservation standards promulgated by the
8 department of administration for the construction of new buildings.

9 12. Employ for such time and purposes as the board requires attorneys
10 whose compensation shall be fixed and paid by the board. Litigation to which
11 the board is a party and for which self-insurance is not provided may be
12 compromised or settled at the direction of the board.

13 13. Adopt annually an operating budget for each university equal to the
14 sum of appropriated general fund monies and the amount of tuition,
15 registration fees and other revenues approved by the board and allocated to
16 each university operating budget.

17 14. In consultation with the state board of education and other
18 education groups, develop and implement a program to award honors
19 endorsements to be affixed to the high school diplomas of qualifying high
20 school pupils and to be included in the transcripts of pupils who are awarded
21 endorsements. The board shall develop application procedures and testing
22 criteria and adopt testing instruments and procedures to administer the
23 program. In order to receive an honors endorsement, a pupil must demonstrate
24 an extraordinary level of knowledge, skill and competency as measured by the
25 testing instruments adopted by the board in mathematics, English, science and
26 social studies. Additional subjects may be added at the determination of the
27 board. The program is voluntary for pupils.

28 15. Require the publisher of each literary and nonliterary textbook
29 used in the universities of this state to furnish computer software in a
30 standardized format when software becomes available for nonliterary
31 textbooks, to the Arizona board of regents from which braille versions of the
32 textbooks may be produced.

33 16. Require universities that provide a degree in education to require
34 courses that are necessary to obtain a provisional structured English
35 immersion endorsement as prescribed by the state board of education.

36 17. Beginning July 1, 2007, acquire United States flags for each
37 classroom that are manufactured in the United States and that are at least
38 two feet by three feet and hardware to appropriately display the United
39 States flags, acquire a legible copy of the Constitution of the United States
40 and the Bill of Rights, display the flags in each classroom in accordance
41 with title 4 of the United States Code and display a legible copy of the
42 Constitution of the United States and the Bill of Rights adjacent to the
43 flag.

1 18. To facilitate the transfer of military personnel and their
2 dependents to and from the public schools of this state, pursue, in
3 cooperation with the state board of education, reciprocity agreements with
4 other states concerning the transfer credits for military personnel and their
5 dependents. A reciprocity agreement entered into pursuant to this paragraph
6 shall:

7 (a) Address procedures for each of the following:

8 (i) The transfer of student records.

9 (ii) Awarding credit for completed course work.

10 (iii) Permitting a student to satisfy the graduation requirements
11 prescribed in section 15-701.01 through the successful performance on
12 comparable exit-level assessment instruments administered in another state.

13 (b) Include appropriate criteria developed by the state board of
14 education and the Arizona board of regents.

15 19. Require a university to publicly post notices of all of its
16 employment openings, including the title and description, instructions for
17 applying and relevant contact information.

18 B. The board shall adopt personnel rules. All nonacademic employees
19 of the universities are subject to these rules except for university
20 presidents, university vice-presidents, university deans, legal counsel and
21 administrative officers. The personnel rules shall be similar to the
22 personnel rules under section 41-783. The rules shall include provisions for
23 listing available positions with the department of economic security,
24 competitive employment processes for applicants, probationary status for new
25 nonacademic employees, nonprobationary status on successful completion of
26 probation and due process protections of nonprobationary employees after
27 discharge. The board shall provide notice of proposed rule adoption and an
28 opportunity for public comment on all personnel rules proposed for adoption.

29 C. IN CONJUNCTION WITH THE AUDITOR GENERAL, THE BOARD SHALL DEVELOP A
30 UNIFORM ACCOUNTING AND REPORTING SYSTEM, WHICH SHALL BE REVIEWED BY THE JOINT
31 LEGISLATIVE BUDGET COMMITTEE BEFORE FINAL ADOPTION BY THE BOARD. THE BOARD
32 SHALL REQUIRE EACH UNIVERSITY TO COMPLY WITH THE UNIFORM ACCOUNTING AND
33 REPORTING SYSTEM.

34 ~~E.~~ D. The board may employ legal assistance in procuring loans for
35 the institutions from the United States government. Fees or compensation
36 paid for such legal assistance shall not be a claim upon the general fund of
37 this state but shall be paid from funds of the institutions.

38 ~~D.~~ E. The board shall approve or disapprove any contract or agreement
39 entered into by the university of Arizona hospital with the Arizona health
40 facilities authority.

41 ~~E.~~ F. The board may adopt policies which authorize the institutions
42 under its jurisdiction to enter into employment contracts with nontenured
43 employees for periods of more than one year but not more than five years.
44 The policies shall prescribe limitations on the authority of the institutions
45 to enter into employment contracts for periods of more than one year but not

1 more than five years, including the requirement that the board approve the
2 contracts.

3 ~~F.~~ G. The board may adopt a plan or plans for employee benefits which
4 allow for participation in a cafeteria plan that meets the requirements of
5 the United States internal revenue code of 1986.

6 ~~G.~~ H. The board may establish a program for the exchange of students
7 between the universities under the jurisdiction of the board and colleges and
8 universities located in the state of Sonora, Mexico. Notwithstanding
9 subsection A, paragraph 5 of this section, the program may provide for
10 in-state tuition at the universities under the jurisdiction of the board for
11 fifty Sonoran students in exchange for similar tuition provisions for up to
12 fifty Arizona students enrolled or seeking enrollment in Sonoran colleges or
13 universities. The board may direct the universities to work in conjunction
14 with the Arizona-Mexico commission to coordinate recruitment and admissions
15 activities.

16 ~~H.~~ I. Subsection A, paragraph 6, subdivisions (a), (b), (c) and (d)
17 of this section do not apply to fee increases that are set by individual
18 universities and that do not require approval by the Arizona board of regents
19 before the fee increase becomes effective.

20 Sec. 8. Section 15-1661, Arizona Revised Statutes, as amended by Laws
21 2009, first special session, chapter 6, section 1, is amended to read:

22 15-1661. Annual appropriation; enrollment audit; expenditure;
23 balance; salaries

24 A. There shall be appropriated in the general appropriation bill for
25 each fiscal year a sum of monies not less than eighty-five one-hundredths of
26 one mill on the dollar of the assessed valuation of all taxable property in
27 the state for the improvement, support and maintenance of the institutions
28 under the Arizona board of regents' jurisdiction, including payment of
29 salaries, current expenses, purchase of equipment, making necessary repairs,
30 construction of new buildings, purchase of lands and in general for payment
31 of all such expenses connected with the management of the institutions under
32 the Arizona board of regents' jurisdiction. The department of revenue, upon
33 compiling the aggregate assessed valuation of all taxable property within
34 this state, shall compute the amount of monies so determined and certify such
35 amount over its seal to the department of administration and the state
36 treasurer.

37 B. The full-time equivalent student enrollment reported for the
38 previous fiscal year by each university shall be audited annually by the
39 auditor general. The auditor general shall report the results of the audit
40 to the staffs of the joint legislative budget committee and the governor's
41 office of strategic planning and budgeting on or before October 15 of each
42 year. ~~Beginning with the fall semester of 2006, On or before the following~~
43 July 21 of each academic year, each university shall provide FOR THE PREVIOUS
44 FALL SEMESTER a certified report to the auditor general of the number of
45 full-time equivalent students calculated by the university AND A SEPARATE

1 REPORT ONLY FOR THOSE STUDENTS WHO MEET THE RESIDENCY REQUIREMENTS PRESCRIBED
 2 IN SECTION 15-1802. The university's records used to calculate full-time
 3 equivalent student enrollment shall be provided to the auditor general in an
 4 electronic format prescribed by the auditor general. Beginning in 2006, each
 5 university shall submit to the auditor general a summary of its full-time
 6 equivalent student enrollment accounting policies and procedures, compilation
 7 procedures and source records used for calculating full-time equivalent
 8 student enrollment. These accounting policies and procedures, compilation
 9 procedures and source records shall comply with policies developed on or
 10 before June 30, 2006 by the Arizona board of regents, in consultation with
 11 the auditor general and reviewed by the joint legislative budget committee.
 12 These policies shall include a review and recommendations of the necessity of
 13 minimum requirements for students enrolled in classes to qualify for
 14 appropriations pursuant to this section, including requirements that the
 15 class be a for-credit course that is necessary for the completion of a degree
 16 and that the student enrolled in the course be physically present in this
 17 state at the time the course is conducted. The basic actual full-time
 18 equivalent student enrollment shall be counted on the forty-fifth day after
 19 the basic actual full-time equivalent student enrollment classes begin for
 20 the fall and spring semesters, as published in the university catalogs, and
 21 divided by two. The Arizona board of regents shall also make recommendations
 22 of whether each professor or instructor should be required to review class
 23 rosters and make additions or deletions as necessary. If so, class rosters
 24 that reflect enrollment as of the forty-fifth day shall be provided by the
 25 registrar's office to each professor or instructor for every class section.
 26 The class roster shall indicate the course number, course title, time,
 27 instructor name and students enrolled. On the forty-fifth day class rosters,
 28 each professor or instructor shall indicate as withdrawn each student who has
 29 formally withdrawn from the course, and that student shall not be counted for
 30 state aid purposes. The official forty-fifth day rosters shall include a
 31 manual signature and date or an electronic authorization and date by the
 32 professor or instructor and shall include the following certification:

33 I hereby certify that the information contained in this
 34 class roster accurately reflects those students who are
 35 enrolled.

36 C. THE ARIZONA BOARD OF REGENTS SHALL ALSO REPORT THE BASIC ACTUAL
 37 FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR ONLY THOSE STUDENTS WHO MEET THE
 38 RESIDENCY REQUIREMENTS PRESCRIBED IN SECTION 15-1802. THE BASIC ACTUAL
 39 FULL-TIME EQUIVALENT STUDENT ENROLLMENT FOR ONLY THOSE STUDENTS WHO MEET THE
 40 RESIDENCY REQUIREMENTS PRESCRIBED IN SECTION 15-1802 THAT IS REPORTED BY EACH
 41 UNIVERSITY FOR THE PREVIOUS FISCAL YEAR SHALL BE ANNUALLY AUDITED BY THE
 42 AUDITOR GENERAL.

43 ~~C.~~ D. Students who have withdrawn or who have been withdrawn from
 44 classes as of the forty-fifth day shall not be counted for state aid
 45 purposes. A record shall be maintained that identifies student withdrawals

1 by date of withdrawal, as of the forty-fifth day and after the forty-fifth
2 day for the entire semester.

3 ~~D.~~ E. Amounts appropriated as provided by subsection A shall be paid
4 as other claims against this state are paid.

5 ~~E.~~ F. The balance of appropriations as provided by subsection A at
6 the end of the fiscal year, if any, shall not revert to the general fund but
7 shall be carried forward for the continued use for which appropriated.

8 ~~F.~~ G. Monies appropriated to a university under the jurisdiction of
9 the Arizona board of regents for cost of living salary increases for
10 university employees shall be used to provide cost of living salary increases
11 to all university employees including graduate student assistants. If monies
12 are appropriated to a university for salary increases based on merit, the
13 monies shall be used to provide merit increases according to the merit pay
14 plan adopted by the Arizona board of regents.

15 ~~G.~~ H. The Arizona board of regents shall determine current actual
16 full-time equivalent student enrollment at each of the institutions under the
17 jurisdiction of the Arizona board of regents. Full-time equivalent student
18 enrollment shall be calculated by adding the following:

19 1. The total number of enrolled fall and spring semester credit hours
20 in 100-level credit courses and 200-level credit courses divided by fifteen.

21 2. The total number of enrolled fall and spring semester credit hours
22 in 300-level credit courses and 400-level credit courses divided by twelve.

23 3. The total number of enrolled fall and spring semester credit hours
24 in graduate level credit courses divided by ten.

25 ~~H.~~ I. The Arizona board of regents, in its annual budget request,
26 shall not include funding for any student who is enrolled at an institution
27 under the jurisdiction of the Arizona board of regents and who has earned
28 credit hours in excess of the undergraduate credit hour threshold, except
29 that the undergraduate credit hour threshold shall not apply to students who
30 are enrolled in a degree program that requires credit hours above the credit
31 threshold. For the purposes of this subsection, the undergraduate credit
32 hour threshold is one hundred fifty-five hours for students who attend a
33 university under the jurisdiction of the board in fiscal year 2006-2007, one
34 hundred fifty hours for students who attend a university under the
35 jurisdiction of the board in fiscal year 2007-2008 and one hundred forty-five
36 hours for students who attend a university under the jurisdiction of the
37 board after fiscal year 2007-2008. The undergraduate credit hour threshold
38 shall be based on the actual full-time equivalent student enrollment counted
39 on the forty-fifth day after classes begin for the fall and spring semesters
40 and any budget adjustment based on student enrollment shall occur in the
41 fiscal year following the actual full-time equivalent student enrollment
42 count. The undergraduate credit hour threshold shall not apply to credits
43 earned in the pursuit of up to two baccalaureate degrees, credits earned in
44 the pursuit of up to two state regulated licensures and certificates, credits
45 earned in the pursuit of teaching certification, credits transferred from a

1 private institution of higher education, credits transferred from an
2 institution of higher education in another state, credits earned at another
3 institution of higher education but that are not accepted as transfer credits
4 at the university where the student is currently enrolled and credits earned
5 by students who enroll at a university under the jurisdiction of the board
6 more than twenty-four months after the end of that student's previous
7 enrollment at a public institution of higher education in this state.

8 Sec. 9. Section 15-1682.03, Arizona Revised Statutes, as amended by
9 Laws 2009, first special session, chapter 6, section 2, is amended to read:

10 15-1682.03. University capital improvement lease-to-own and
11 bond fund; lease-to-own and bond capital
12 improvement agreements

13 A. The university capital improvement lease-to-own and bond fund is
14 established consisting of the monies provided by the Arizona board of regents
15 pursuant to this section, monies deposited pursuant to section 5-522 and
16 monies appropriated by the legislature. The board shall administer the fund.
17 On notice from the board, the state treasurer shall invest and divest monies
18 in the fund as provided by section 35-313, and monies earned from investment
19 shall be credited to the fund. Monies in the fund are exempt from the
20 provisions of section 35-190 relating to lapsing of appropriations.

21 B. Through revenues of the state university system, the board shall
22 annually provide monies to the fund of at least twenty per cent of the
23 aggregate annual payments of lease-to-own and bond agreements entered into by
24 the board pursuant to this section.

25 C. The board shall distribute monies in the fund to make payments
26 pursuant to lease-to-own and bond agreements entered into by the board
27 pursuant to this section. The board may enter into lease-to-own and bond
28 agreements for the purposes of building renewal projects and new facilities.
29 New lease-to-own and bond agreements entered into pursuant to this section
30 shall not exceed one hundred sixty-seven million six hundred seventy-one
31 thousand two hundred dollars in fiscal year 2008-2009 and four hundred
32 million dollars in fiscal year 2009-2010. The board may enter into
33 lease-to-own and bond transactions up to a maximum of eight hundred million
34 dollars.

35 D. NOTWITHSTANDING SECTION 5-522, SUBSECTION H, THE AMOUNT OF STATE
36 LOTTERY REVENUES DISTRIBUTED TO THE UNIVERSITY CAPITAL IMPROVEMENT
37 LEASE-TO-OWN AND BOND FUND IN FISCAL YEAR 2009-2010 AND FISCAL YEAR 2010-2011
38 SHALL NOT EXCEED AN AMOUNT SUFFICIENT FOR UP TO EIGHTY PER CENT OF THE ANNUAL
39 PAYMENTS OF THE FIRST ONE HUNDRED SIXTY-SEVEN MILLION SIX HUNDRED SEVENTY-ONE
40 THOUSAND TWO HUNDRED DOLLARS OF NEW LEASE-TO-OWN AND BOND AGREEMENTS ENTERED
41 INTO PURSUANT TO THIS SECTION. THE FULL AMOUNT OF STATE LOTTERY REVENUES
42 DISTRIBUTED TO THE UNIVERSITY CAPITAL IMPROVEMENT LEASE-TO-OWN AND BOND FUND
43 PURSUANT TO SECTION 5-522, SUBSECTION H SHALL BE MADE AVAILABLE TO THE BOARD
44 FOR THE REMAINING NEW LEASE-TO-OWN AND BOND AGREEMENTS UP TO EIGHT HUNDRED
45 MILLION DOLLARS BEGINNING IN FISCAL YEAR 2011-2012.

1 E. IN ENTERING INTO LEASE-TO-OWN AND BOND AGREEMENTS PURSUANT TO THIS
2 SECTION, THE BOARD SHALL NOT OBLIGATE THIS STATE TO PROVIDE ANY ADDITIONAL
3 MONIES FROM THE STATE LOTTERY FUND ABOVE THE AMOUNTS AUTHORIZED IN THIS
4 SECTION AND SECTION 5-522, SUBSECTION H. IN ENTERING INTO LEASE-TO-OWN AND
5 BOND AGREEMENTS PURSUANT TO THIS SECTION, THE BOARD SHALL NOT OBLIGATE ANY
6 STATE GENERAL FUND MONIES.

7 Sec. 10. Section 15-1821.01, Arizona Revised Statutes, is amended to
8 read:

9 15-1821.01. Dual enrollment information

10 On a determination by a community college district governing board that
11 it is in the best interest of the citizens of a district, the district
12 governing board may authorize district community colleges to offer college
13 courses that may be counted toward both high school and college graduation
14 requirements at the high school during the school day subject to the
15 following:

16 1. The community college district governing board and the governing
17 board of the school district or organization of which the high school is a
18 part shall enter into an agreement or contract. ~~Beginning in the 2008-2009~~
19 ~~school year, These intergovernmental agreements or contracts shall be based~~
20 ~~on a uniform format that has been cooperatively developed by the community~~
21 ~~college districts in this state. The uniform format of the intergovernmental~~
22 ~~agreements and contracts shall be submitted for review to the joint~~
23 ~~legislative budget committee by December 31, 2007.~~ On or before August 1 of
24 each year, the joint legislative budget committee shall notify each community
25 college district to report on or before October 1 of each year a specified
26 percentage of its initial intergovernmental agreements or contracts executed
27 with school district governing boards or charter schools. Each of these
28 agreements or contracts shall clearly specify the following:

29 (a) The financial provisions of the agreement or contract and the
30 format for the billing of all services under the agreement or contract,
31 including the amount that the community college received in full-time student
32 equivalent funding pursuant to section 15-1466.01, the portion of the funding
33 that is distributed to the school district governing board or charter school
34 and any amount that is subsequently returned to the community college
35 district by the school district governing board or charter school.

36 (b) Student tuition and financial aid policies, including if
37 scholarships or grants are awarded to students in dual enrollment courses
38 from the community college.

39 (c) The accountability provisions for each party to the agreement or
40 contract.

41 (d) The responsibilities and services required of each party to the
42 agreement or contract.

43 (e) The type of instruction that will be provided under the agreement
44 or contract, including the titles of the courses to be offered.

1 (f) The quality of the instruction that will be provided under the
2 agreement or contract.

3 2. Students shall be admitted to the community college under the
4 policies adopted by each district, subject to the following:

5 (a) All students enrolled for college credit shall be high school
6 juniors or seniors. All students in the course, including those not electing
7 to enroll for college credit, shall satisfy the prerequisites for the course
8 as published in the college catalog and shall comply with college policies
9 regarding student placement in courses.

10 (b) A community college may waive the class status requirements
11 specified in subdivision (a) of this paragraph for up to twenty-five per cent
12 of the students enrolled by a college in courses provided that the community
13 college has an established written criteria for waiving the requirements for
14 each course. These criteria shall include a demonstration, by an examination
15 of the specific purposes and requirements of the course, that freshman and
16 sophomore students who meet course prerequisites are prepared to benefit from
17 the college level course. All exceptions and the justification for the
18 exceptions shall be reported ~~as provided in paragraph 6 of this section~~
19 ANNUALLY TO THE JOINT LEGISLATIVE BUDGET COMMITTEE ON OR BEFORE OCTOBER 1.

20 3. The courses shall be previously evaluated and approved through the
21 curriculum approval process of the district, shall be at a higher level than
22 taught by the high school and shall be transferable to a university under the
23 jurisdiction of the Arizona board of regents or be applicable to an
24 established community college occupational degree or certificate program.
25 Physical education courses shall not be available for dual enrollment
26 purposes.

27 4. College approved textbooks, syllabuses, course outlines and grading
28 standards that are applicable to the courses if taught at the community
29 college shall apply to these courses and to all students in the courses
30 offered pursuant to this section. The chief executive officer of each
31 community college shall establish an advisory committee of full-time faculty
32 who teach in the disciplines offered at the community college to assist in
33 course selection and implementation in the high schools and to review and
34 report at least annually to the chief executive officer whether the course
35 goals and standards are understood, the course guidelines are followed and
36 the same standards of expectation and assessment are applied to these courses
37 as though they were being offered at the community college. The advisory
38 committee of full-time faculty shall meet at least three times each academic
39 year.

40 5. Each faculty member shall meet the requirements established by the
41 governing board pursuant to section 15-1444. The chief executive officer of
42 each community college district shall establish an advisory committee of
43 full-time faculty who teach in the disciplines offered at the community
44 college district to assist in the selection, orientation, ongoing
45 professional development and evaluation of faculty teaching college courses

1 in conjunction with the high schools. The advisory committee of full-time
2 faculty shall meet at least two times each academic year.

3 ~~6. Each community college district, on or before October 1, shall~~
4 ~~annually provide a report to the joint legislative budget committee on the~~
5 ~~courses offered in conjunction with high schools during the previous fiscal~~
6 ~~year. In the case of a multicollege district, the multicollege district~~
7 ~~shall provide a separate report for each college. This report shall include~~
8 ~~the following:~~

9 ~~(a) Documentation of compliance with the requirements identified in~~
10 ~~paragraphs 3, 4 and 5 of this section, including a listing of the members of~~
11 ~~the faculty advisory committees at each community college as provided in~~
12 ~~paragraphs 4 and 5 of this section.~~

13 ~~(b) The number of students in each course who did not meet the~~
14 ~~criteria prescribed in paragraph 2 of this section.~~

15 ~~(c) The total enrollments listed by location, by high school grade~~
16 ~~level, by course and by whether the program was academic or occupational.~~

17 ~~(d) Summary data on the performance of students enrolled for college~~
18 ~~credit in courses offered in conjunction with high schools, including~~
19 ~~completion rates and grade distribution.~~

20 ~~(e) Course level data on the performance of students enrolled for~~
21 ~~college credit in courses offered in conjunction with high schools, including~~
22 ~~completion rates, grade distribution and the number of students who received~~
23 ~~remedial instruction for the course.~~

24 ~~(f) A copy of each addendum of an intergovernmental agreement or~~
25 ~~contract executed pursuant to paragraph 1 of this section.~~

26 ~~(g) Summary data by community college district and by individual~~
27 ~~community college on the number of scholarships or grants awarded to~~
28 ~~students.~~

29 ~~(h) Itemized actual program costs including actual program costs for~~
30 ~~each of the following:~~

31 ~~(i) Curriculum development and approval.~~

32 ~~(ii) Textbook costs.~~

33 ~~(iii) Facility and equipment costs.~~

34 ~~(iv) Counseling and tutoring costs.~~

35 ~~(v) Teacher training and observation costs.~~

36 ~~(i) Course level data delineating the entity that provided faculty,~~
37 ~~the entity that provided the faculty pay and the amount paid to the faculty~~
38 ~~member.~~

39 ~~7.~~ 6. Each community college district shall conduct tracking studies
40 of subsequent academic or occupational achievement of students enrolled in
41 courses offered pursuant to this section. The reports of the results of the
42 tracking studies shall be submitted to the joint legislative budget committee
43 on or before October 1 of each odd-numbered year, subject to the following:

44 (a) The tracking studies prescribed in this paragraph may involve
45 statistically valid sampling techniques and shall include, at a minimum, the

1 high school graduation rate, the number of students continuing their studies
2 after graduation at a community college in this state or a university under
3 the jurisdiction of the Arizona board of regents, the performance of the
4 students in subsequent college courses in the same discipline or occupational
5 field and the student's grade point average after one year at an Arizona
6 community college or university as compared to the student's college grade
7 point average for courses completed while still in high school.

8 (b) On receipt of the report of the tracking studies prescribed in
9 this paragraph, the joint legislative budget committee may convene an ad hoc
10 committee that includes community college academic officers, faculty and
11 other experts in the field to review the manner in which these courses are
12 provided. This committee may make recommendations to the joint legislative
13 budget committee regarding desirable changes in this section or in the manner
14 in which this section is being implemented. A copy of this report shall be
15 provided to each district governing board.

16 ~~8-~~ 7. A school district shall ensure that a pupil is a full-time
17 student as defined in section 15-901 and is enrolled in and attending a
18 full-time instructional program at a school in the school district before
19 that pupil is allowed to enroll in a college course pursuant to this section,
20 except that high school seniors who satisfy high school graduation
21 requirements with less than a full-time instructional program shall be exempt
22 from this paragraph.

23 Sec. 11. Title 15, chapter 14, article 5, Arizona Revised Statutes, is
24 amended by adding section 15-1856, to read:

25 15-1856. Leveraging educational assisted program; criteria

26 A STUDENT IN THIS STATE IS NOT ELIGIBLE TO PARTICIPATE IN THE
27 LEVERAGING EDUCATIONAL ASSISTANCE PROGRAM ESTABLISHED BY SECTION 1203 OF THE
28 HIGHER EDUCATION ACT AMENDMENTS OF 1998 (P.L. 105-244; 112 STAT. 1581;
29 20 UNITED STATES CODE SECTION 1001) UNLESS THE STUDENT MEETS ALL OF THE
30 FOLLOWING CRITERIA:

31 1. THE STUDENT IS A RESIDENT OF THIS STATE.

32 2. THE STUDENT DEMONSTRATES FINANCIAL NEED UNDER THE CRITERIA
33 ESTABLISHED FOR THE PROGRAM.

34 3. THE STUDENT IS ATTENDING, ON AT LEAST A HALF-TIME BASIS, AN
35 APPROVED PROGRAM AT A PROPERLY ACCREDITED POSTSECONDARY EDUCATIONAL
36 INSTITUTION IN THIS STATE.

37 Sec. 12. Section 41-1542, Arizona Revised Statutes, is amended to
38 read:

39 41-1542. Governor's council on workforce policy; duties

40 A. The governor by executive order may establish a governor's council
41 on workforce policy. If the governor establishes a governor's council on
42 workforce policy, the council shall include at least the following members:

43 1. The director of the department of commerce or the director's
44 designee.

1 2. The director of the department of economic security or the
2 director's designee.
3 3. The superintendent of public instruction or the superintendent's
4 designee.
5 4. One representative from a rural community college district who is
6 appointed by the governor.
7 5. One representative from an urban community college district who is
8 appointed by the governor.
9 6. One representative from organized labor who is appointed by the
10 governor.
11 7. Representatives from large businesses who are appointed by the
12 governor and who shall compose at least thirty per cent of the total
13 membership of the council.
14 8. Representatives from small businesses who are appointed by the
15 governor and who shall compose at least twenty-five per cent of the total
16 membership of the council.
17 B. The governor's council on workforce policy that is established by
18 executive order shall develop program guidelines for selection criteria and
19 program operations. These guidelines shall include the following areas:
20 1. Project application procedures.
21 2. Categories of allowable and excluded project costs.
22 3. Limitations relating to partial or total project costs and interim
23 and end of project reporting requirements.
24 4. Procedures to assure that both urban and rural economic interests
25 are addressed.
26 5. Criteria to evaluate effective use of training monies.
27 6. Criteria to determine the annual qualifying wage rate per county so
28 that the qualifying wage rate reflects current economic conditions and the
29 needs of local businesses in the county.
30 C. The governor's council on workforce policy shall meet at least four
31 times each year and shall submit a written annual report to the governor, the
32 president of the senate, the speaker of the house of representatives and the
33 joint legislative budget committee by ~~September~~ DECEMBER 1 of each year. This
34 report shall include:
35 1. The qualifying wage rate per county.
36 2. The number of businesses recruited.
37 3. The number of approved applicants.
38 4. The number of persons hired.
39 5. The number of incumbent workers trained.
40 6. The racial and ethnic background of persons trained.
41 7. The number of persons trained by job skill category.
42 8. The average salaries paid.
43 9. The breakdown of full-time and part-time jobs.
44 10. The information on the efforts to leverage other training
45 resources.

1 11. A summary of the information considered pursuant to section
2 41-1543.

3 12. The number of grant applications denied due to either of the
4 following:

5 (a) Insufficient available grant money.

6 (b) The inability to meet the qualifying wage requirements pursuant to
7 subsection B, paragraph 6 of this section.

8 13. A summary of annual spending by state government on workforce
9 development, including details on each state program that participates in
10 workforce development in any state agency or community college. The report
11 shall include:

12 (a) Actual expenditures from state, federal or other sources for the
13 prior fiscal year, by fund, program and agency and in total.

14 (b) Estimated expenditures from state, federal or other sources for
15 the current fiscal year, by fund, program and agency and in total.

16 (c) Federally mandated performance measure results by program,
17 including measures for the previous two fiscal years and for the current
18 fiscal year.

19 (d) Agency or statewide performance measure results as described in
20 subsection E of this section by program, including measures for the previous
21 two fiscal years and for the current fiscal year.

22 (e) A strategic plan that identifies:

23 (i) Each workforce development program in this state.

24 (ii) How the state programs met all performance measures in the
25 previous fiscal year.

26 D. Each state agency and community college shall submit to the
27 governor's council on workforce policy the information necessary to compile
28 the report described in subsection C, paragraph 13 of this section by ~~August~~
29 NOVEMBER 1 of each year.

30 E. The governor's council on workforce policy shall coordinate with
31 state agencies and state community colleges to produce outcome-based
32 performance measures for all state workforce development programs.

33 Sec. 13. Community colleges; capital outlay aid; suspension

34 Notwithstanding section 15-1464, Arizona Revised Statutes, or any other
35 law, capital outlay state aid for community colleges is suspended for fiscal
36 year 2009-2010.

37 Sec. 14. Community colleges; operating state aid

38 Notwithstanding section 15-1466, Arizona Revised Statutes, as amended
39 by this act, the fiscal year 2009-2010 appropriation for operating state aid
40 for community colleges shall be the amount appropriated in the general
41 appropriations act.

42 Sec. 15. Financial aid trust fund; required state match

43 Notwithstanding section 15-1642, subsection C, Arizona Revised
44 Statutes, for fiscal year 2009-2010, each dollar raised pursuant to the
45 surcharge on student registration assessed pursuant to section 15-1642,

1 subsection A, Arizona Revised Statutes, may be matched by less than two
2 dollars appropriated by the legislature.

3 Sec. 16. Medical student loans; private schools; fiscal year
4 2009-2010; retroactivity

5 A. Notwithstanding section 15-1723, Arizona Revised Statutes, the
6 board of medical student loans is not required to apportion fifty per cent of
7 the monies in the medical student loan fund for students attending private
8 medical schools in fiscal year 2009-2010.

9 B. This section is effective retroactively to from and after June 30,
10 2009.

11 Sec. 17. Community colleges; capital aid funding for fiscal
12 year 2009-2010; uses

13 Notwithstanding section 15-1464, subsection G, Arizona Revised
14 Statutes, for fiscal year 2009-2010, each community college district may use
15 any portion of its capital outlay funding for operating aid purposes.

16 Sec. 18. Arizona board of regents; support and maintenance;
17 appropriation reduction; transfer; fiscal year
18 2010-2011 appropriation

19 A. The sum of \$100,000,000 is reduced from the appropriation made from
20 the state general fund in fiscal year 2009-2010 to the Arizona board of
21 regents for the support and maintenance of institutions under its
22 jurisdiction and is deferred to payment in fiscal year 2010-2011. This
23 amount is transferred to the state general fund in fiscal year 2009-2010 from
24 the payments that would have otherwise been made in May and June 2010. The
25 Arizona board of regents shall reduce funding to the institutions under its
26 jurisdiction in proportion to the state general fund appropriation received
27 by each institution.

28 B. In addition to any other amounts appropriated to the Arizona board
29 of regents for fiscal year 2010-2011, the sum of \$100,000,000 is appropriated
30 from the state general fund to the Arizona board of regents to be distributed
31 for the support and maintenance of institutions under its jurisdiction for
32 payments deferred from fiscal year 2009-2010. The department of
33 administration shall distribute these monies to the board no later than
34 October 1, 2010.

35 Sec. 19. Arizona board of regents; report; speakers and costs

36 On or before March 31, 2010, the Arizona board of regents shall
37 electronically submit a report for the current fiscal year to the joint
38 legislative budget committee that includes a list of invited paid speakers
39 and the associated costs for those speakers.

40 Sec. 20. Provisional community college districts; student count
41 for fiscal years 2009-2010 and 2010-2011

42 For fiscal years 2009-2010 and 2010-2011:

43 1. Notwithstanding any other law, the same student shall not be
44 counted twice for state funding purposes as a full-time equivalent student in

1 both a provisional community college district and a community college
2 district.

3 2. Notwithstanding any other law, a community college district that
4 provides services in a provisional community college district pursuant to
5 section 15-1470, Arizona Revised Statutes, shall no longer count these
6 students in the district's full-time equivalent student count, except that,
7 to the extent permitted by the Constitution of Arizona, the district may
8 count these students for the purposes of computing the district's expenditure
9 limitation under the Constitution of Arizona.

10 Sec. 21. Conforming legislation

11 The legislative council staff shall prepare proposed legislation
12 conforming the Arizona Revised Statutes to the provisions of this act for
13 consideration in the forty-ninth legislature, second regular session.

14 Sec. 22. Effective date

15 Section 15-1466.01, Arizona Revised Statutes, as amended by this act,
16 is effective from and after June 30, 2010.

Passed the House July 31, 2009

by the following vote: 32 Ayes,

14 Nays, 14 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

Passed the Senate August 12, 2009

by the following vote: 17 Ayes,

8 Nays, 5 Not Voting

[Signature]
President of the Senate

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this
20 day of August, 2009

at 2:38 o'clock P. M.

[Signature]
Secretary to the Governor

Approved this 14 day of

September

at 1:21 o'clock P. M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20____

Third Special Session
H.B. 2012

at _____ o'clock _____ M.

Secretary of State